Department of Medical Assistance Services
600 East Broad Street, Suite 1300
Richmond, Virginia 23219

www.dmas.virginia.gov

MEDICAID MEMO

TO: All Pharmacy Providers and Managed Care Organizations (MCOs) Participating in the Virginia Medical Assistance Programs

FROM: Patrick W. Finnerty, Director
Department of Medical Assistance Services (DMAS)

MEMO: Special

DATE: 3/1/2006

SUBJECT: **Discontinuation** of Virginia Medicaid Interim Reimbursement for Medicare Part D Drugs for Dual Eligibles – March 8, 2006

The purpose of this memorandum is to announce the **discontinuation** of the Virginia Medicaid interim reimbursement process for drugs designated under the Medicare Part D drug benefit for dual eligible beneficiaries with Medicare and full benefit Medicaid coverage. **Effective March 8, 2006, all Part D pharmacy claims for dual eligible beneficiaries must be submitted to the appropriate Medicare Part D Prescription Drug Plan (PDP) or other payment methods designated through the Centers for Medicare and Medicaid Services (CMS) payment contingency plan.**

As indicated in the January 30, 2006 Medicaid Memorandum, Governor Timothy M. Kaine authorized the Virginia Medicaid Program to provide reimbursement for drugs designated under the Medicare Part D drug benefit in the event pharmacists were unable to process these claims through the Medicare PDPs or other payment methods established by CMS. This action was effective January 31, 2006, to ensure access to prescription medications for dual eligible beneficiaries who previously received drug coverage under Virginia Medicaid; to increase coordination between Medicare and Medicaid; and to support pharmacy providers facing billing challenges for this population. **NOTE: The action did not apply to limited coverage groups (Qualified Medicare Beneficiaries, Special Low Income Medicare Beneficiaries, Qualified Individuals) for whom Medicaid pays the Medicare premiums.** CMS indicates that it has made progress in resolving many of the issues with the Part D implementation.

SPECIAL CONSIDERATION

The Virginia Medicaid Program will now resume its payment procedures for the dual eligible beneficiaries as outlined in the December 5, 2005 Medicaid Memorandum. Virginia Medicaid will continue to offer coverage of Part D pharmacy claims for special exceptions in which the CMS facilitated enrollment process is unsuccessful. Prior authorization (PA) criteria must be met and a PA form must be completed for Part D claims to be considered for reimbursement by Virginia Medicaid. If authorized, reimbursement will be granted for drug quantities of no greater than a two-week supply, and PA requests will be based on the date of service. The PA request form for dual eligibles and the related criteria are attached and may also be found at the following web link: http://www.dmas.virginia.gov/pr-medicare_part_d.htm .

EXCLUSIONS UNDER MEDICARE PART D

There are specific drug classes that are excluded by law under the new Medicare Part D program. Virginia Medicaid will continue to cover these medications within the currently established guidelines of its pharmacy benefit program. Coverage of these drugs will be in accordance with existing Medicaid policy as described in Chapter 50 of the Virginia Administrative Code (12 VAC 30-50; "Amount, Duration, and Scope of Medical/Remedial Services"). The drug classes that Medicaid will continue to cover for dual eligibles are as follows:

- Medications for weight loss (prior authorization required);
- Legend and non-legend medications for symptomatic relief of cough and colds;
- Prescription vitamins and mineral products (except prenatal vitamins and fluoride preparations);
- Over-the-counter medications (prescriptions are required);
- Barbiturates; and
- Benzodiazepines

Medicaid will also continue to provide benefits for prescription drugs administered under Medicare Part B based on current coverage guidelines, which require that the Part B intermediary process the claim for payment prior to submitting it to Virginia Medicaid. Pharmacies must be a Part B participating provider to receive reimbursement for these claims. Pharmacy providers may contact Trailblazers at 1-866-697-9670 for information on filing for Part B drugs. Pharmacy providers may contact Administar, through the National Supplier Clearinghouse, at 1-866-238-9652, for durable medical equipment.

Any prescription drug claims processed for dual eligibles by Virginia Medicaid will remain subject to Virginia Medicaid's Preferred Drug List (PDL). Medicare PDPs will cover compounded drugs that include covered Part D drugs. Medicaid will pay for compounded medications for Part D recipients when the active ingredients include only the above referenced medications (excluded from Part D) and the compound is prior authorized.

PHARMACY INFORMATION

Pharmacies may contact the pharmacist(s) in the CMS regional office at 1-215-861-4186 with questions related to the administration of the Medicare Part D program. Pharmacy providers can also contact the First Health Services Clinical Call Center at 1-800-932-6648 (available 24 hours a day, seven days a week) with questions specifically pertaining to Virginia Medicaid's pharmacy benefit policies for dual eligible recipients.

Pharmacy providers are asked to contact the beneficiary's PDP with questions regarding the plan's pharmacy benefits. For a listing and contact information for these plans, visit the DMAS website at www.dmas.virginia.gov (under "Provider Services," then "Medicare Part D") or the CMS website through the following link:

http://www.medicare.gov/MPDPF/Public/Include/DataSection/Results/ListPlanByState.asp

ELIGIBILITY AND CLAIMS STATUS INFORMATION

DMAS offers a web-based Internet option (ARS) to access information regarding Medicaid or FAMIS eligibility, claims status, check status, service limits, prior authorization, and pharmacy prescriber identification. The website address to use to enroll for access to this system is http://virginia.fhsc.com. The MediCall voice response system will provide the same information and can be accessed by calling 1-800-884-9730 or 1-800-772-9996. Both options are available at no cost to the provider.

VIRGINIA MEDICAID REIMBURSEMENT REQUEST FOR DUAL ELIGIBLES

COMMONWEALTH of VIRGINIA
Department of Medical Assistance Services

REQUESTS FOR PRIOR AUTHORIZATION (PA) MUST INCLUDE PATIENT NAME, MEDICAID ID#, AND DRUG NAME. SUBMISSION OF DOCUMENTATION DOES NOT GUARANTEE COVERAGE BY THE DEPARTMENT OF MEDICAL ASSISTANCE SERVICES AND FINAL COVERAGE DECISIONS MAY BE AFFECTED BY SPECIFIC MEDICAID LIMITATIONS. PRIOR AUTHORIZATION WILL BE GRANTED FOR DRUG QUANTITIES OF NO GREATER THAN A TWO-WEEK SUPPLY.

THIS FORM SHOULD NOT BE USED FOR WEIGHT LOSS DRUGS OR THE PREFERRED DRUG LIST PROGRAM.

The completed form may be **FAXED TO 800-932-6651.**

Requests may also be mailed to: First Health Services Corporation / 4300 Cox Road / Glen Allen, VA 23060 / ATTN: MAP

PATIENT INFORMATION

Patient's Name:

Patient's Medicaid ID#: (12 digits)

Patient's Date of Birth:

DRUG INFORMATION

Drug Name, Dosage Form & Strength: Date of Dispensing:	Day Supply: (up to 14 days only)

PRIOR AUTHORIZATION REQUIREMENTS

- Medicare and Medicaid eligibility verified
- E1 Eligibility query to NDCHealth completed to determine Part D plan enrollment. If plan is located, claim submission to designated plan is attempted and denied based on eligibility.
- If beneficiary is present, call to 800-MEDICARE completed to assist in determining plan assignment
- Claim submission to national POS Contractor, Wellpoint, attempted and denied.
- **If available, documentation of claim denial by national POS Contractor, Wellpoint, or other plan designated for the beneficiary should be attached to prior authorization request. System screen prints are acceptable documentation.**

PHARMACY PROVIDER INFORMATION

Pharmacist's Name (print):	Today's Date:
Pharmacist's Signature:	Pharmacy Phone #: ( )
Name of Pharmacy:	Pharmacy Fax #: ( )

Pharmacy Provider's Medicaid ID#:

PLEASE INCLUDE ALL REQUESTED INFORMATION; INCOMPLETE FORMS WILL DELAY THE PRIOR AUTHORIZATION PROCESS

SIGNATURE ON THIS FORM CERTIFIES THAT ALL INFORMATION IS CORRECT AND REQUIRED PROCESSES HAVE BEEN ATTEMPTED AND FAILED. PHARMACY CLAIMS AUTHORIZED FOR MEDICAID COVERAGE ARE SUBJECT TO AUDIT. PRIOR AUTHORIZATION CRITERIA IS SUBJECT TO CHANGE AND THUS DRUG COVERAGE.

FOR DMAS USE

APPROVED **DENIED** **COMMENTS:**

SIGNATURE:

Prior Authorization Criteria
For Dual Eligible Recipients

The following steps must be taken by the pharmacy provider before requesting prior authorization for payment of a pharmacy claim by Virginia Medicaid for a dual eligible beneficiary:

1. The pharmacy provider requests the beneficiary's Medicare and Medicaid enrollment cards;

2. If enrollment cards are unavailable, the pharmacy provider requests photo identification and checks for enrollment in a Medicare Part D Prescription Drug Plan (PDP) by submitting an E1 Eligibility query to the True Out-of-Pocket (TrOOP facilitator), **NDCHealth.** If the E1 Eligibility query returns Part D plan enrollment information, the pharmacist bills the appropriate plan.

   The pharmacy provider may contact their software vendor or systems' help line for instructions for submitting an E1 Eligibility transaction. The NDCHealth web site, http://medifacd.ndchealth.com/home/MediFacd_home.htm provides more information on the TrOOP facilitation process.

3. If the PDP assignment cannot be determined through an E1 Eligibility query and the beneficiary is present, the pharmacy provider should call 800-MEDICARE to assist the beneficiary in identifying the appropriate PDP for reimbursement.

4. According to the Centers for Medicare and Medicaid Services (CMS) facilitated enrollment process, the pharmacy provider should submit the claim to the national POS Contractor, **Wellpoint**, for payment if the recipient has not yet been enrolled in a plan.

   Details of the CMS facilitated enrollment process may be found at the following link: http://www.dmas.virginia.gov/downloads/Part_D/Part_D_Facilitated_Enrollment_Process.pdf

If all of these attempts prove unsuccessful and Wellpoint denies payment, the pharmacy provider may fax a request for prior authorization to DMAS via First Health Services' Clinical Call Center at 800-932-6651 using the following process:

1. The pharmacy provider completes and signs the prior authorization form for dual eligible recipients which certifies all of the steps above have been attempted; and

2. If available, the pharmacy provider submits documentation (screen prints acceptable) of the claim denial by the national POS Contractor, Wellpoint.; and

3. The First Health Services' representative utilizes VaMMIS to verify Medicaid and Medicare eligibility; and

4. First Health Services' submits the prior authorization form to DMAS for approval; and

5. If approved by DMAS, First Health notifies the pharmacy provider of the decision. The pharmacy provider processes the claim if approved, or notifies the recipient/ medical provider of denial of coverage.

Prior authorization will be granted for drug quantities of no greater than a two-week supply. PA requests are based on date of service.